

B27 (Official Form 27) (12/09)

UNITED STATES BANKRUPTCY COURT

District of South Dakota

In re Matthew & Erin Rudy,
DebtorCase No. 10-40612
Chapter 7

REAFFIRMATION AGREEMENT COVER SHEET

This form must be completed in its entirety and filed, with the reaffirmation agreement attached, within the time set under Rule 4008. It may be filed by any party to the reaffirmation agreement.

1. Creditor's Name: Avacar Finance, Inc.
2. Amount of the debt subject to this reaffirmation agreement:
\$4,624.00 on the date of bankruptcy \$4,393.94 to be paid under reaffirmation agreement
3. Annual percentage rate of interest: 19.99 % prior to bankruptcy
19.99 % under reaffirmation agreement (☒ Fixed Rate ☐ Adjustable Rate)
4. Repayment terms (if fixed rate): \$327.62 per month for 15 months
5. Collateral, if any, securing the debt: Current market value: \$4,500.00
Description: 2000 Jeep Cherokee
6. Does the creditor assert that the debt is nondischargeable? ☐ Yes ☒ No
(If yes, attach a declaration setting forth the nature of the debt and basis for the contention that the debt is nondischargeable.)

Debtor's Schedule I and J EntriesDebtor's Income and Expenses
as Stated on Reaffirmation Agreement7A. Total monthly income from \$4,734.29
Schedule I, line 167B. Monthly income from all \$4,734.29
sources after payroll deductions8A. Total monthly expenses \$4,725.00
from Schedule J, line 188B. Monthly expenses \$4,395.009A. Total monthly payments on \$
reaffirmed debts not listed on
Schedule J9B. Total monthly payments on \$327.62
reaffirmed debts not included in
monthly expenses10B. Net monthly income \$11.67
(Subtract sum of lines 8B and 9B from
line 7B. If total is less than zero, put the
number in brackets.)

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11. Explain with specificity any difference between the income amounts (7A and 7B):

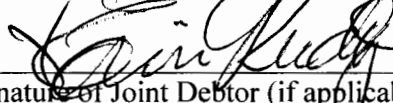
None

12. Explain with specificity any difference between the expense amounts (8A and 8B):

Line 8A includes the debt being reaffirmed per this Agreement.

If line 11 or 12 is completed, the undersigned debtor, and joint debtor if applicable, certifies that any explanation contained on those lines is true and correct.


 Signature of Debtor (only required if
 line 11 or 12 is completed)


 Signature of Joint Debtor (if applicable, and only
 required if line 11 or 12 is completed)

Other Information

☐ Check this box if the total on line 10B is less than zero. If that number is less than zero, a presumption of undue hardship arises (unless the creditor is a credit union) and you must explain with specificity the sources of funds available to the Debtor to make the monthly payments on the reaffirmed debt: N/A

Was debtor represented by counsel during the course of negotiating this reaffirmation agreement?

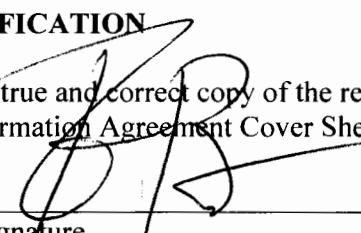
☒ Yes ☐ No

If debtor was represented by counsel during the course of negotiating this reaffirmation agreement, has counsel executed a certification (affidavit or declaration) in support of the reaffirmation agreement?

☒ Yes ☐ No

FILER'S CERTIFICATION

I hereby certify that the attached agreement is a true and correct copy of the reaffirmation agreement between the parties identified on this Reaffirmation Agreement Cover Sheet.


 Signature

THOMAS A. BLAKE
 Print/Type Name & Signer's Relation to Case

Debtors' Counsel

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA

IN RE:

MATTHEW & ERIN DANAE RUDY

Debtor

Case No. 10-40612

Chapter 7

REAFFIRMATION AGREEMENT
WITH AVACAR FINANCE, INC.

REAFFIRMATION AGREEMENT

☒ Part A: disclosures, Instruction, and
Notice to Debtor

☒ Part B: Reaffirmation Agreement

☒ Part C: Certification by Debtor's
Attorney

☒ Part D: Debtor's Statement in Support of
Reaffirmation Agreement

☐ Part E: Motion for Court Approval

☐ Proposed Order Approving
Reaffirmation Agreement

NAME OF CREDITOR:

PART A: DISCLOSURE STATEMENT, INSTRUCTIONS AND NOTICE TO DEBTOR

DISCLOSURE STATEMENT

Before Agreeing to Reaffirm a Debt, Review These Important Disclosures:

SUMMARY OF REAFFIRMATION AGREEMENT

This Summary is made pursuant to the requirements of the Bankruptcy Code.

AMOUNT REAFFIRMED

The **Amount Reaffirmed** includes the total amount of debt (principal and any accrued interest) you agree to reaffirm by entering into this agreement plus any related fees and costs that have accrued as of the date of this Reaffirmation Disclosure Statement:

Total amount of debt

\$ 4393.94 (as of 7-23-2010)

Total fees and costs:

\$ 0.00

AMOUNT REAFFIRMED:

\$ 4393.94

This is the amount of debt you have agreed to reaffirm. Your credit agreement may obligate you to pay additional amounts which may come due after the date of this disclosure. Consult your credit agreement.

ANNUAL PERCENTAGE RATE: 19.99 %

Security Interest in or Lien Against Goods or Property

Your debt is secured by a security interest that has not been waived in whole or in part or determined to be void by a final order of the Bankruptcy Court as of the date of this Reaffirmation Disclosure Statement.

A security interest or lien in the following goods or property is asserted over some or all of the debt(s) you are reaffirming:

<u>ITEMS/TYPES</u>	<u>ORIGINAL AMOUNT OF LOAN</u>
2000 Jeep Cherokee <u>1J4FF58S3YL195009</u> [describe auto and VIN]	<u>8264.00</u>

Repayment Schedule

Your payment schedule will be according to the original terms of the loan. Your first payment will be due 3-21-2009, and your last payment will be due 9-3-2011.

INSTRUCTIONS

Reaffirming a debt is a serious financial decision. The law requires you to take certain steps to make sure the decision is in your best interest. If these steps are not completed, the reaffirmation agreement is not effective, even though you have signed it.

1. Read the disclosures in this Part A carefully. Consider the decision to reaffirm carefully. Then, if you want to reaffirm, sign the reaffirmation agreement in Part B (or you may use a separate agreement you and your creditor agree on).

2. Complete and sign Part D and be sure you can afford to make the payments you are agreeing to make and have received a copy of the disclosure statement and a copy of the completed and signed reaffirmation agreement.

3. If you were represented by an attorney during the negotiation of your reaffirmation agreement, the attorney must sign the certification in Part C.

4. If you were not represented by an attorney during the negotiation of your reaffirmation agreement, you must complete and sign Part E.

5. The original of this disclosure must be filed with the bankruptcy court by you or your creditor. If a separate reaffirmation agreement (other than the one in Part B) has been signed, it must be attached.

6. If you were represented by an attorney during the negotiation of your reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the bankruptcy court unless the reaffirmation is presumed to be an undue hardship as explained in Part D.

7. If you were not represented by an attorney during the negotiation of your reaffirmation agreement, the Bankruptcy Court must hold a hearing on the reaffirmation agreement. The bankruptcy court will notify you of the date and time of the hearing by an order setting hearing. You must attend that hearing and answer any questions the Bankruptcy Judge may have regarding your reaffirmation agreement. Your reaffirmation agreement will not be effective unless the Bankruptcy Court determines it is consistent with your best interests and enters an order approving it. A hearing will not be held and the Bankruptcy Court does not have to approve your reaffirmation agreement if it is for a consumer debt secured by a mortgage, deed of trust, security deed, or other lien on your real property, such as your home.

NOTICE TO DEBTOR

Your right to rescind (cancel) your reaffirmation agreement. You may rescind (cancel) your reaffirmation agreement at any time before the bankruptcy court enters a discharge order, or before the expiration of the 60-day period that begins on the date your reaffirmation agreement is filed with the bankruptcy court, whichever occurs later. To rescind (cancel) your reaffirmation agreement, you must notify the creditor that your reaffirmation agreement is rescinded (or canceled). [See Local Bankruptcy Rule 4008-2.]

What are your obligations if you reaffirm the Debt? A reaffirmed debt remains your personal legal obligation. It is not discharged in your bankruptcy case. That means that if you default on your reaffirmed debt after your bankruptcy case is over, your creditor may be able to take your property or your wages. Otherwise, your obligations will be determined by the reaffirmation agreement, which may have changed the terms of the original agreement. For example, if you are reaffirming an open end credit agreement, the creditor may be permitted by that agreement or applicable law to change the terms of that agreement in the future under certain conditions.

Are you required to enter into a reaffirmation agreement by any law? No, you are not required to reaffirm a debt by any law. You should only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments you agree to make.

What if your creditor has a security interest or lien? Your bankruptcy discharge does not eliminate any lien on your property. A "lien" is often referred to as a security interest, deed

of trust, mortgage, or security deed. Even if you do not reaffirm and your personal liability on the debt is discharged, because of the lien your creditor may still have the right to take the security if you do not pay the debt or if you default on the debt. If the lien is on an item of personal property that you claim exempt or that the Trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the security property, as agreed by the parties or determined by the bankruptcy court.

Note: When this Disclosure Statement refers to what a creditor "may" do, it does not use the word "may" to give the creditor specific permission. The word "may" is used to tell you what might occur if the law permits the creditor to take the action. If you have questions about your reaffirming a debt or what the law requires, consult with the attorney who helped you negotiate this agreement reaffirming a debt. If you don't have an attorney helping you, the Bankruptcy Judge will explain the effect of your reaffirming a debt when the hearing on the reaffirmation agreement is held.

Part B: REAFFIRMATION AGREEMENT.

I (we) agree to reaffirm the debt(s) arising under the credit agreement described below.

Description of reaffirmation agreement: Debtor agrees to pay AvaCar Finance, Inc. ("Creditor") the principal of \$ 4393.94 and interest at the rate of 11.99 % per year. Interest will begin to accrue hereunder on 7-9-2010. Debtor will make 30 [bi-weekly, monthly, etc.] payments of \$ 163.81, beginning 7-24-2010, and one final payment due 9-3-2011, whereupon all unpaid principal and interest and other amounts will be due in full.

Description of any changes to the credit agreement made as a part of this reaffirmation agreement: None.

Dated: 8/24/10, 2010

X [Signature], Debtor


Dated: 8/24/10, 2010

[Signature], Debtor

Accepted by Creditor:

AVACAR FINANCE, INC.

Dated: 7-23, 2010

By: 
Its: General manager

Sioux Falls, SD 57104
Telephone: (605) 274-8617
Fax: (605) 274-8626

Debtor's Attorney's signature for electronic filing purposes only:



PART C: CERTIFICATION BY DEBTOR'S ATTORNEY (IF ANY).

I hereby certify that: (1) this agreement represents a fully informed and voluntary agreement by Debtor; (2) this agreement does not impose a hardship on Debtor or any of her dependents; and (3) I have fully advised Debtor of the legal effect and consequences of this agreement and any default under this agreement.

Dated: 8-24, 2009

By: 

Counsel for Debtor

505 W. 9th St.

Address

Sioux Falls, SD 57104

City, State, Zip

Telephone: 336-1216

Fax: 335-4166

PART D: DEBTOR'S STATEMENT IN SUPPORT OF
REAFFIRMATION AGREEMENT

1. I believe this reaffirmation agreement will not impose an undue hardship on me or any of my dependents. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is \$ 4734.29, and my actual current monthly expenses (excluding monthly payments under this Reaffirmation Agreement but including monthly payments on post-bankruptcy debt and under other reaffirmation agreements) total \$ 4395, leaving \$ 339.29 to make the agreed payment on this reaffirmed debt. I understand that if my monthly income less my monthly expenses does not leave enough to make the payments, this Reaffirmation Agreement is presumed to be an undue hardship on me and must be reviewed by the Bankruptcy Court. However, this presumption may be overcome if I explain to the satisfaction of the Bankruptcy Court how I can afford to make the payments here. That explanation is set forth on the attached worksheet.

N/A

☐ Check this box if the monthly income and/or monthly expenses differ(s) from that shown on Schedules I and/or J and attach a worksheet to explain the difference(s).

2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a copy of the completed and signed reaffirmation agreement.

Dated: 8-27, 2010

X Matthew Rudy
Debtor

X Erin Rudy